

Message Text

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PAGE 01 STATE 142874
ORIGIN DOTE-00

INFO OCT-01 EA-07 ISO-00 L-03 CAB-02 CIAE-00 COME-00
DODE-00 EB-07 INR-07 NSAE-00 EPG-02 FAA-00 SSO-00
NSCE-00 INRE-00 SS-15 NSC-05 TRSE-00 OMB-01 IO-13
/063 R

DRAFTED BY DOT/OST:LERICSON:SP
APPROVED BY EB/OA:RABROWN, ACTING
EB/OA/AVP:AJWHITE
EB/OA/AVP:SCKEITER
EB/AN:TROESCH
EA/PHL:JSARTORIUS
DOT/FAA:RTOENNIENSEN
L/EB:PMICKEY (INFO)
DOT/OST:PLARSEN

-----017481 202104Z /44

O 202016Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY MANILA IMMEDIATE

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E.O. 11652: N/A

TAGS: EAIR, RP

SUBJECT: CIVAIR - USER CHARGES

REF: A) STATE 04280 B) MANILA 3024 C) MANILA A-32

1. INFORMATION REPORTED REFS. B AND C WAS USEFUL IN
CONFIRMING PAN AM COMPLAINT THAT GOP HAS INCREASED LANDING
FEES BY ONE HUNDRED PERCENT. BASED UPON THE PRELIMINARY
REPORTS FROM EMBASSY AND U.S. AIRLINES, IT APPEARS TO DOT
THAT THE INCREASE IN LANDING FEES IS EXCESSIVE, REQUIRING
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FURTHER INVESTIGATION AND POSSIBLE ACTION UNDER THE FAIR
COMPETITIVE PRACTICES ACT (FCPA).

2. DOT FINDS LETTER OF INSTRUCTIONS NO. 498 FROM
PRESIDENT MARCOS TO GOP DIRECTOR OF CIVIL AVIATION TO BE
BLATENT IN ITS DISCRIMINATION AGAINST INTERNATIONAL
AIRLINES SERVING THE PHILIPPINES. NOT ONLY ARE THE NEW

INTERNATIONAL LANDING AND TAKE-OFF FEES TO BE BASED ON CONSIDERATIONS OTHER THAN COST, BUT IT APPEARS THAT THEY WILL BE USED TO SUBSIDIZE DOMESTIC AVIATION.

3. DEPARTMENT AND DOT APPRECIATE EMBASSY'S RELUCTANCE TO BE SOLE OFFICIAL VOICE PROTESTING UNFAIR GOP USER CHARGES; AND EMBASSY MAY WANT TO CONSULT ONCE AGAIN WITH OTHER EMBASSIES, WHO NOW SHOULD BE AWARE OF THE NEW FEES. HOWEVER, REGARDLESS OF OTHER COUNTRIES' ACTIONS, USG HAS STATUTORY RESPONSIBILITY TO ENFORCE THE PROVISIONS OF FCPA. AIRLINE AND IATA EFFORTS, INCLUDING IATA D.G. HAMMARSKJOLD REQUEST FOR CONSULTATION, HAVE NOT HAD MUCH RESPONSE.

4. THEREFORE, EMBASSY INSTRUCTED TO NOTIFY GOP OF USG CONCERN OVER INCREASES IN LANDING FEES, ALONG LINES REF. A, REQUESTING THAT PHILIPPINE AUTHORITIES EITHER REDUCE THE FEES OR PROVIDE COST INFORMATION, INCLUDING BASIS FOR ALLOCATION OF COSTS, WHICH FULLY JUSTIFIES THEM. EMBASSY SHOULD NOTE THAT PRESIDENTIAL LETTER SEEMS SIMPLY TO REQUIRE INTERNATIONAL AIRLINES TO BEAR BURDEN PROPERLY SHOULDERED BY OTHER USERS. PLEASE ALSO PROVIDE ALL AVAILABLE BACKGROUND INFORMATION PERTINENT TO GOP LANDING FEES WHICH WOULD HELP DOT TO DETERMINE EQUITY OF NEW INCREASES. (EXAMPLES INCLUDE MORE DETAILED FEE STRUCTURE, AIRPORT AUTHORITY ANNUAL REPORTS, VOLUME AND COSTS/ LIMITED OFFICIAL USE

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REVENUES OF INTERNATIONAL VERSUS DOMESTIC AVIATION OPERATIONS, BACKGROUND INFO. ON LETTER OF INSTRUCTIONS NUMBER 498).

5. PHILIPPINE FEES APPEAR TO BE HIGHER THAN AVERAGE IN AREA, BUT IN U.S. VIEW THAT IS ESSENTIALLY IRRELEVANT. PROPER CRITERION FOR MAXIMUM PERMISSIBLE CHARGES IS PROPERLY ALLOCATED COST. AVIATION COSTS IN MANILA ARE PRESUMABLY LOWER THAN IN AUSTRALIA OR JAPAN (BECAUSE OF LESS SOPHISTICATED FACILITIES AND/OR LOWER WAGE COSTS), AND NOT SIGNIFICANTLY HIGHER THAN IN OTHER MAJOR AREA AIRPORTS.

6. UNLESS PHILIPPINE USER CHARGES CAN BE DETERMINED TO BE REASONABLE AND OTHERWISE NON-DISCRIMINATORY, DOT MAY ISSUE A SECRETARIAL FINDING UNDER THE FCPA WHICH COULD LEAD TO IMPOSITION OF COMPENSATORY CHARGES. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRLINES, AIRPORT FEES
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE142874
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Document Unique ID: 00
Drafter: LERICSON:SP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770220-0110
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770638/aaaabhsn.tel
Line Count: 111
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Litigation Codes:
Litigation History:
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SAS ID: 2091216
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Status: NATIVE
Subject: CIVAIR - USER CHARGES
TAGS: EAIR, RP, US, PANAM
To: MANILA
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